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Previous references.

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PRESERVED

P. 3/E1

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. /

Part B for September 1930

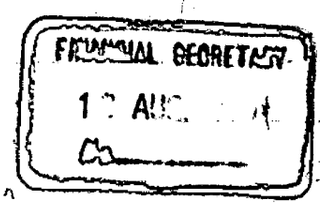
SUBJECT.

Facilities to persons residing in Indian States for subscribing to our New Loan

No orders

W 23/9/30

Serial No.



U.O.Note No. dated 18th August 1930

Submitted.

The Comptroller's note was prepared before we were able to gather how far our Offer had reached the potential investors. I kept this paper therefore for a few days, so that in the light of the progress recorded in our loan operations, the proposal might be better examined. The latest report shows that both Cochin and Trivandrum are big subscribers to our loans. Within the few days they have been on offer applications are pouring in from all centres. Over Rs 110 Lakhs have already been reached. A Press note has issued. I am not sure if at this stage we need ask the Durbars named to provide facilities for receiving applications to in their Treasuries. Such an arrangement has not been made even with the Govt of India. There are branches of Imperial Bk of India practically

At present facilities are wanting for persons residing in the Indian Native States of Travancore, Cochin, Hyderabad and Baroda to subscribe for our new loan and to draw interest thereon. If we could create such facilities, our loan would become more widespread and popular and the residents in those States would get a good opportunity to have a profitable investment in our new loan. We may consult the Dewans of these States -- informally and enquire if they are agreeable to the following arrangements :-

1. To arrange to receive applications and cash subscriptions for the new loan in all -- treasuries and approved banks with in their States.

2. For the Chief Accounts Officer to ~~get them~~ consolidated them and send them viz. Applications Covering lists and a cheque for the amount subscribed for, on to me, twice a week or oftener if necessary keeping copies himself for record.

3. I would ~~suggest~~ issue bonds and Advance Interest Payment Orders and a cheque for the value of the latter to the Chief Accounts Officer who would arrange to distribute them to the concerned parties, after noting in a Register the bonds issued and their place of enfacement i.e. the place at which interest is to be paid.

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in all important business and Commercial places and they offer the facilities for investment in our loans. It is not necessary to approach the Durbars to arrange for receiving loan applications in Approved banks in the States. This could have been done by direct negotiation, earlier I presume. Anyhow it seems to me to be possible to contemplate these arrangements now as from the present rate of progress we may confidently hope to close the loans by the end of September, the latest. There is one proposal in the Comptroller's note which I would heartily support. We may create facilities for payment of interest to our bond holders in the Treasuries of other Indian States on the same reciprocal arrangements as obtain are in force in British India. This may involve some transfer of cash from Mysore to other States as other Indian States may have no interest charges to pay in Mysore but, as matures, the arrangement will make our loan bonds more popular in the

4. He would intimate to me from time to time if all bonds have been delivered to the applicants and advance interest orders cashed

5. Every half year I would send him a cheque for an approximate amount required for payment of interest. He would send a monthly account showing the amount of cheques drawn and the amount of interest paid, balance with him, and send me the original interest vouchers with a covering list.

6. Copies of our Securities Manual will give information regarding detailed procedure for renewal, enfacement etc

7. If they are agreeable and if it can be conveniently arranged we may even give them a stock of bonds and Advance Interest payment Orders and authorise them to issue them. In this case, they would send me a stock account and list of notes and pay orders issued

8. Advance Schemes for subscribing to the new loan may also be introduced by them as is done by Mysore Bank if they are willing.

9

If this is agreed to we may formally write to the Hon'ble the Resident asking for permission for (1) these States arranging to receive applications and subscriptions for our new loan and to pay interest on them in their Treasuries. (2) the Comptroller, Mysore, to carry on correspondence direct with the Chief Accounts Officers of the States in matters relating thereto.

Note—Contn. Sheet

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To The Financial Secretary

Comptroller.

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States in which the new facility is provided for -

After the loans are closed and we are furnished with figures showing the extent of contributions from the different States and Provinces, we may address the Durbars concerned thro the Residency and come to a settlement . . .

In the meantime I doubt if any action may be taken with material advantage

(1st member)

22.8.30

25/8/30

OFFICE OF THE FIRST MEMBER OF COUNCIL
25 AUG. 1930
No. 1273

B

NOTE – Contn. Sheet

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